

119TH CONGRESS
1ST SESSION

H. R. 5225

To amend the Internal Revenue Code of 1986 to exclude qualified wildfire relief payments from gross income, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 9, 2025

Mr. LAMALFA (for himself, Mr. THOMPSON of California, Mr. MCCLINTOCK, Mr. SHERMAN, Mr. BENTZ, Ms. BYNUM, and Mr. MOORE of Utah) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to exclude qualified wildfire relief payments from gross income, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Protect Innocent Vic-
5 tims of Taxation After Fire Extension Act”.

1 **SEC. 2. EXCLUSION FROM GROSS INCOME FOR COMPENSA-**
2 **TION FOR LOSSES OR DAMAGES RESULTING**
3 **FROM WILDFIRES.**

4 (a) IN GENERAL.—Part III of subchapter B of chap-
5 ter 1 of the Internal Revenue Code of 1986 is amended
6 by inserting after section 139L the following new section:

7 **“SEC. 139M. COMPENSATION FOR LOSSES OR DAMAGES RE-**
8 **SULTING FROM WILDFIRES.**

9 “(a) IN GENERAL.—Gross income shall not include
10 any amount received by an individual as a qualified wild-
11 fire relief payment.

12 “(b) QUALIFIED WILDFIRE RELIEF PAYMENT.—For
13 purposes of this section—

14 “(1) IN GENERAL.—The term ‘qualified wildfire
15 relief payment’ means any amount received by or on
16 behalf of an individual as compensation for losses,
17 expenses, or damages (including compensation for
18 additional living expenses, lost wages (other than
19 compensation for lost wages paid by the employer
20 which would have otherwise paid such wages), per-
21 sonal injury, death, or emotional distress) incurred
22 as a result of a qualified wildfire disaster, but only
23 to the extent the losses, expenses, or damages com-
24 pensated by such payment are not compensated for
25 by insurance or otherwise.

1 “(2) QUALIFIED WILDFIRE DISASTER.—The
 2 term ‘qualified wildfire disaster’ means any federally
 3 declared disaster (as defined in section 165(i)(5)(A))
 4 declared, after December 31, 2014, as a result of
 5 any forest or range fire.

6 “(c) DENIAL OF DOUBLE BENEFIT.—Notwith-
 7 standing any other provision of this subtitle—

8 “(1) no deduction or credit shall be allowed (to
 9 the individual for whose benefit a qualified wildfire
 10 relief payment is made) for, or by reason of, any ex-
 11 penditure to the extent of the amount excluded
 12 under this section with respect to such expenditure,
 13 and

14 “(2) no increase in the basis or adjusted basis
 15 of any property shall result from any amount ex-
 16 cluded under this section with respect to such prop-
 17 erty.

18 “(d) TERMINATION.—Subsection (a) shall not apply
 19 to amounts received after December 31, 2032.”.

20 (b) CLERICAL AMENDMENT.—The table of sections
 21 for part III of subchapter B of chapter 1 of such Code
 22 is amended by inserting after the item relating to section
 23 139L the following new item:

“Sec. 139M. Compensation for losses or damages resulting from wildfires.”.

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall apply to amounts received after Decem-
3 ber 31, 2025.

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